

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 511 as passed by the Seventy-Ninth Texas Legislature, Regular Session, because of the following objections:

Under House Bill No. 511, businesses offering consumer rebates which take more than 30 days to process would be subjected to potential class action lawsuits under the Deceptive Trade Practices Act. This is an unreasonably short period of time, which could subject companies with reasonable procedures for paying rebates to endure expensive and lengthy litigation. These lawsuits could include claims for mental anguish, treble damages and attorneys' fees, an overly broad and onerous remedy that does not differentiate between companies that withhold rebates unfairly from those that have reasonable payment processes that take more than 30 days.

Under the guise of consumer protection, this bill would vastly expand class action lawsuits without a direct relationship to demonstrable harm. In these instances, the end result of this bill would be to make the litigation so expensive and so risky that a company could be compelled to pay a large settlement even if it has not harmed anyone.

The company would also be susceptible to lawsuits if it employs a different procedure for helping consumers fix incorrectly completed rebate applications than the procedure set forth in the bill, or if its notice to a consumer that he has submitted false proof of purchase takes more than 30 days to arrive. The bill also allows retailers to be sued, even though they do not control the mailing of the rebate.

We want to encourage companies to offer the best prices to Texas consumers. This bill would result in companies offering rebates to consumers in other states, but making them void in Texas.

Consumer protection laws should not be used as a pretext for the vast expansion of class action and other "big ticket" lawsuits which lead to higher insurance and litigation costs for employers and higher prices to Texas consumers.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2005.

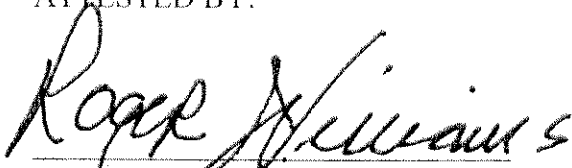
Rick Perry

RICK PERRY
Governor of Texas

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 PM - O'CLOCK

JUN 17 2005

ATTESTED BY:



ROGER WILLIAMS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 PM O'CLOCK
JUN 17 2005